

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

MEGAN LUNDY, individually and on behalf  
of all others similarly situated,

Plaintiff,

v.

IDEANOMICS, INC, ALFRED POOR,  
BRUNO WU, and CONOR MCCARTHY,

Defendants.

Case No.

**CLASS ACTION COMPLAINT  
FOR VIOLATION OF THE  
FEDERAL SECURITIES LAWS**

Jury Trial Demanded

Plaintiff Megan Lundy (“Plaintiff”), by and through her attorneys, alleges upon personal knowledge as to her own acts, and upon information and belief as to all other matters, based upon the investigation conducted by and through her attorneys, which included, among other things, a review of documents filed by Defendants (as defined below) with the United States Securities and Exchange Commission (the “SEC”), news reports, press releases issued by Defendants, and other publicly available documents, as follows:

**NATURE AND SUMMARY OF THE ACTION**

1. This is a federal securities class action on behalf of all investors who purchased or otherwise acquired Ideanomics, Inc. (“Ideanomics” or the “Company”) common stock between March 20, 2020 and June 25, 2020, inclusive (the “Class Period”). This action is brought on behalf of the Class for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78j(b) and 78t(a) and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. § 240.10b-5.

2. Ideanomics purports to be a global company focused on facilitating the adoption of commercial electric vehicles and developing next generation financial services and Fintech

products. Ideanomics common stock trades on the NASDAQ stock exchange under the ticker “IDEX.” The Company is headquartered in New York, NY, and maintains offices in Beijing and Qingdao, China.

3. In recent press releases, Ideanomics has lauded its “one million square foot EV expo center in Qingdao, Shandong Province,” in China, also known as the Company’s Mobile Energy Global (MEG) Division, or the “MEG Center.” According to Ideanomics, the MEG Center is “the largest auto trading market in Qingdao,” China.

4. On June 25, 2020, analyst Hindenburg Research issued a series of tweets in which it called Ideanomics “an egregious & obvious fraud.” As detailed herein, Hindenburg asserted that it found evidence that Ideanomics had doctored photos for use in its press releases to suggest that the Company owns or operates a vehicle sales center in Qingdao, China, when it in fact does not. Hindenburg further asserted that it had an investigator go to Ideanomics’ purported MEG Center in Qingdao, China, where the investigator was unable to find any trace of Ideanomics or its purported MEG Center.

5. Also on June 25, 2020, analyst J Capital Research issued a report on Ideanomics entitled “Champion of Promotes.” J Capital wrote, in part, that “Ideanomics . . . is a zero. The company changes its name and promotional story so frequently that it’s hard to keep up. One thing remains a constant, despite all the press releases, buzzwords and hype: shareholders get wiped out.” J Capital continued, in a tweet, that “[w]e called all the ‘buyers’ named in [Ideanomics’] press releases this month. Not a single one had made a purchase. One of them thanked us for alerting them to ‘fake news.’”

6. On this news, Ideanomics’ stock price fell from its June 24, 2020 close of \$3.09 to a June 25, 2020 close of \$2.44 per share, a one day drop of \$0.65 or approximately 21%.

7. Then on June 26, 2020, the Company issued a press release in which it sought to “clarify the status” of its purported EV hub in Qingdao, China. In this release, Ideanomics walked back certain of its prior statements regarding the MEG Center in Qingdao, stating that it was launching three phases of its MEG Center that will eventually total one million square feet. The first phase, according to Ideanomics, occupies only 215,000 square feet.

8. The stock price continued to plummet on June 26, 2020, dropping to a close of \$1.46 per share. *This represents a two day drop of approximately 53%.*

9. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company’s business. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Ideanomics’ MEG Center in Qingdao was not “a one million square foot EV expo center”; (ii) the Company had been using doctored or altered photographs of the purported MEG Center in Qingdao; (iii) the Company’s electric vehicle business in China was not performing nearly as strong as Ideanomics had represented; and (iv) as a result, the Company’s public statements were materially false and misleading at all relevant times.

### **JURISDICTION AND VENUE**

10. The federal law claims asserted herein arise under §§ 10(b) and 20(a) of the Exchange Act, 15 U.S.C. § 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. § 240.10b-5, as well as under the common law.

11. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1331 and § 27 of the Exchange Act, 15 U.S.C. § 78aa.

12. This Court has jurisdiction over each Defendant named herein because each Defendant is an individual or corporation who has sufficient minimum contacts with this District so as to render the exercise of jurisdiction by the District Court permissible under traditional

notions of fair play and substantial justice.

13. Venue is proper in this District pursuant to § 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1931(b), as the Company has its principal executive offices located in this District and conducts substantial business here.

14. In connection with the acts, omissions, conduct and other wrongs in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to the United States mail, interstate telephone communications and the facilities of the national securities exchange.

### **PARTIES**

15. Plaintiff Megan Lundy is a resident of Colorado Springs, Colorado. He acquired and held shares of Ideanomics at artificially inflated prices during the class period, and has been damaged by the revelation of the Company's material misrepresentations and material omissions.

16. Defendant Ideanomics purports to be a global company focused on facilitating the adoption of commercial electric vehicles and developing next generation financial services and Fintech products. Ideanomics common stock trades on the NASDAQ stock exchange under the ticker "IDEX." The Company's headquarters are located at 55 Broadway, 19<sup>th</sup> Floor, New York, NY 10006, and the Company is incorporated under the laws of the State of Nevada. The Company also maintains offices in Beijing and Qingdao, China.

17. Defendant Alfred Poor is Ideanomics' Chief Executive Officer, and has served in that capacity since February 2019.

18. Defendant Bruno Wu is Ideanomics' Chairman of the Board and has served in that capacity since January 2016.

19. Defendant Conor McCarthy is Ideanomics' Chief Financial Officer, and has served in that capacity since September 2019.

20. Collectively, Defendants Poor, Wu, and McCarthy are referred to throughout this complaint as the "Individual Defendants."

21. The Individual Defendants, because of their positions at the Company, possessed the power and authority to control the content and form of the Company's annual reports, quarterly reports, press releases, investor presentations, and other materials provided to the SEC, securities analysts, money and portfolio managers and investors, *i.e.*, the market. The Individual Defendants authorized the publication of the documents, presentations, and materials alleged herein to be misleading prior to its issuance and had the ability and opportunity to prevent the issuance of these false statements or to cause them to be corrected. Because of their position with the Company and access to material non-public information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations being made were false and misleading. The Individual Defendants are liable for the false statements pleaded herein.

### **SUBSTANTIVE ALLEGATIONS**

22. Ideanomics was incorporated in October 2004. From 2010 through 2017, the Company's primary business activities were providing premium content video on demand services, with primary operations through PRC, through its subsidiaries and variable interest entities under the brand name You-on-Demand. Ideanomics closed the You-on-Demand business in 2019.

23. Starting in early 2017, Ideanomics asserts that it transitioned its business model to become a next-generation financial technology company. Its most 2019 Annual Report filed

on Form 10-K with the SEC provides, in relevant part: “The Company built a network of businesses, operating principally in the trading of petroleum products and electronic component that the Company believed had significant potential to recognize benefits from blockchain and AI technologies including, for example, enhancing operations, addressing cost inefficiencies, improving documentation and standardization, unlocking asset value and improving customer engagement. During 2018 the Company ceased operations in the petroleum products and electronic components trading businesses and disposed of the businesses during 2019. Fintech continues to be a priority for us as we look to invest in and develop businesses that can improve the financial services industry, particularly as it relates to deploying blockchain and AI technologies. As we looked to deploy fintech solutions in late 2018 and into 2019, we found a unique opportunity in the Chinese Electric Vehicle (EV) industry to facilitate large scale conversion of fleet vehicles from internal combustion engines to EV. This led us to establish our Mobile Energy Global (MEG) business unit.”

#### **MATERIALLY FALSE AND MISLEADING STATEMENTS**

24. The Class Period begins on March 20, 2020, when Ideanomics issued a press release in which it stated that it was:

[P]leased to announce that the Qingdao-MEG Sales Center, branded as Mobile Energy Group Center, is scheduled to start sales operations by May 1. The 1 Million square foot site has been renovated as a permanent EV expo center, the cost of which has been met by development funds from the Chengyang business district of the city of Qingdao, in China's Shandong province.

Ideanomics' Mobile Energy Global division (‘MEG’) will be joined at the site by more than 20 partners ranging from EV manufacturers, EV battery manufacturers, energy storage, energy management, and EV charging solutions, financial services, insurance, vehicle and license plate registration services, and others from Qingdao. The EV hub is designed to be a focal point for commercial fleet operators and the EV industry alike, with MEG headquartering its management, sales and marketing, and administrative operations at the site.

The city of Qingdao currently operates an automotive sales and servicing center for a range of vehicle manufacturers at the site, these operations are being assumed by MEG as part of the expanded plans and focus onto EV. This will see MEG assume the revenues derived from those activities, with a run rate of approximately RMB 1 Billion in 2019 (\$140 Million USD), with profit margins in the 8% range, as well as facilitate an expedited ramp-up of staff and operations at the site.

Due to the successful development of the Mobile Energy Group Center and the high demand for comprehensive EV services, MEG has received inquiries from several other cities with regards to establishing similar operations. Where there is financial support to do so, from local governments and manufacturers, and sufficient market demand as we have seen in Qingdao, MEG may decide to develop multiple regional centers in the future.<sup>1</sup>

25. Then, on May 26, 2020, Ideanomics issued a press release stating that the Company's:

Mobile Energy Global (MEG) division is pleased to announced [sic] that its Qingdao subsidiary Qingdao Chengyang Ainengju New Energy Sales and Service Co. has officially launched the largest auto trading market in Qingdao at MEG's Qingdao EV hub. The MEG Center in Qingdao now hosts a full suite of car dealer services for new energy and used cars with a capacity of 18,000 vehicles onsite. It offers a one-stop buying experience that includes financial services and onsite vehicle registration services. The auto trading market, which was rolled into MEG as part of the investment from Qingdao City, attracts a large audience which MEG will leverage to help educate the general population through its upcoming EV-centric welcome center and onsite EV manufacturing partners. Additionally, the Center will use influencer-based marketing of new energy and used cars to leverage the impact influences have on big ticket purchases in Asia.

The MEG Center is a one million square foot EV expo center in Qingdao, Shandong Province. The Center announced a soft launch on May 1, 2020 and will house partners ranging from EV manufacturers, EV battery manufacturers, energy storage, energy management, and EV charging solution providers, financial services, insurance companies, vehicle and license plate registration services, and others including a state of the art MEG Welcome Center. Ideanomics will be holding a ribbon-cutting ceremony for the MEG Center in Qingdao in the summer in conjunction with its Annual General Meeting.<sup>2</sup>

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<sup>1</sup> <https://investors.ideanomics.com/2020-03-20-Ideanomics-MEG-Announces-May-1st-Operational-Opening-of-Qingdao-EV-Hub>.

<sup>2</sup> <https://investors.ideanomics.com/2020-05-26-Ideanomics-MEG-EV-Center-in-Qingdao-Opens-for-Operations-and-Revenues-to-Begin-This-Month>.

26. On June 9, 2020, Ideanomics issued another press release, in which it announced that “auto dealers operating in its subsidiary, Mobile Energy Global’s (MEG) expo center in Qingdao, have sold 2,139 vehicles for a total value of RMB 235 Million or USD 33 Million.”<sup>3</sup>

The release continued:

As a reminder, the MEG Center in Qingdao began operations on May 1. Based on the level of sales activity in the first week of June, this month's sales are expected to exceed May levels. In China, the high season for car buying is from October to January. In its first five weeks of being operational, the dealers at the MEG Center have received high levels of interest, and management is optimistic that it can achieve its previously stated RMB 1 Billion sales target in 2020.

China, much like the rest of the world, has been negatively impacted by the shutdowns resulting from COVID-19. As the country has only begun to relax restrictions last month, many businesses are struggling to recover. The local government provided the facility rent-free to Ideanomics. Management felt that, during these unprecedented times, MEG should support local businesses and passed on savings from the government's generosity by not charging commissions or rent to its dealers for the month of May. As MEG's partners strengthen their financial positions, management will gradually implement its fee model starting in mid-June. Note that the May and early June sales were primarily used vehicles, and that MEG will be charging commissions for electric vehicles (EVs) with the manufacturers' direct sale model. MEG's total financing solutions will be available starting in July, and with its high-profit margins, should make a meaningful contribution to the Center's profitability.

‘The region loosened restrictions on business activities in early May, so we are very pleased with the Center's high levels of activity at this early stage. The Center's solid customer foot traffic indicates that the country's economy is on a steady path to recovery and there is a strong appetite for passenger and commercial vehicle sales which bodes well for MEG,’ said Ideanomics Chairman Dr. Bruno Wu. ‘The initial activity combined with the projected growth for the remainder of 2020 reinforces our belief that the MEG Center will be a material source of revenue for Ideanomics.’

27. The, on June 23, 2020, when its stock price was over \$3.00 per share for the first time since November 2018, Ideanomics filed a Registration Statement on Form S-3 with the SEC

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<sup>3</sup> <https://investors.ideanomics.com/2020-06-09-Over-2-100-Vehicles-Sold-at-Ideanomics-MEG-Center-in-May>.



in which it announced plans to offer \$250 million worth of common stock to the investing public.<sup>4</sup>

28. The statements described above were materially false and misleading and failed to disclose material adverse facts about the Company's business, operations, and prospects. As discussed below, the Defendants misled investors by misrepresenting and/or failing to disclose that: (i) Ideanomics' MEG Center in Qingdao was not "a one million square foot EV expo center"; (ii) the Company had been using doctored or altered photographs of the purported MEG Center in Qingdao; (iii) the Company's electric vehicle business in China was not performing nearly as strong as Ideanomics had represented; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

29. The statements described in ¶¶ 24-26 were materially false and misleading and failed to disclose material adverse facts about the Company's business, operations, and prospects.

### **THE TRUTH EMERGES**

30. On June 25, 2020, analyst Hindenburg Research issued a series of tweets in which Hindenburg called Ideanomics "an egregious & obvious fraud." It wrote that "investors need to look no further than the company's June 9[, 2020] press release. The company touts the launch of its MEG EV sales center and includes a photo that bears a "2020" timestamp." Hindenburg "found a photo displaying the exact same cars and exact same layout from 2018, years before the supposed soft launch of [Ideanomics'] MEG center in 2020." It further compared the two photos, noting that in Ideanomics' June 9, 2020 press release, "the 'MEG' logo on the red arch has been photoshopped to replace the original Mandarin. The MEG letters form a straight line

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<sup>4</sup> [https://www.sec.gov/Archives/edgar/data/837852/000110465920075883/tm2018575d1\\_s3.htm](https://www.sec.gov/Archives/edgar/data/837852/000110465920075883/tm2018575d1_s3.htm)

despite the logo supposed on a curved surface. ***To repeat, the company doctored photos in its PR to suggest it owns/operates the facility.***” (Emphasis added).

31. Hindenburg also referenced Ideanomics’ May 26, 2020 press release, where it found “the exact same signs of photoshopping that impose [Ideanomics’] flat MEG logo on a curved surface. ***This strikes us as a clear effort by the company to manipulate the photographs in order to drive its stock price up.***” (Emphasis added).

32. Hindenburg actually had an investigator visit Ideanomics’ purported MEG sales center, and tweeted out a photo taken by that investigator. Hindenburg wrote: “[t]he facility is actually operated by almost 100 sales groups. None of those we spoke with heard of [Ideanomics] or MEG. We spoke to the main office (in a recorded conversation) and they confirmed the same.”

33. Hindenburg also had its investigator “call five of [Ideanomics’] purported customers that are helping drive its supposed EV business. None of them were aware of Ideanomics and none were able to confirm doing business with” Ideanomics. ***“We have watched [Ideanomics’] stock pump and dump on a neverending [sic] stream of press releases over the last 5 years and we expect this time will be no different, resulting in major shareholder losses or regulatory intervention.”*** (Emphasis added).

34. Also on June 25, 2020, analyst J Capital Research issued a report on Ideanomics entitled “Champion of Promotes.” J Capital wrote, in part, that “Ideanomics . . . is a zero. The company changes its name and promotional story so frequently that it’s hard to keep up. One thing remains a constant, despite all the press releases, buzzwords and hype: shareholders get wiped out.” J Capital continued, in a tweet, that “[w]e called all the ‘buyers’ named in [Ideanomics’] press releases this month. Not a single one had made a purchase. One of them thanked us for alerting them to ‘fake news.’”

35. J Capital continued that its “investigators have been unable to establish that IDEX has a showroom in Qingdao, whence the contract announcements have been flowing. . . . We had a hard time identifying this expo center but eventually found an IDEX subsidiary that has a mail drop at a 1 mln sqft shopping mall in Qingdao’s Chengyang District. Renovations are news to the companies that operate there. In fact, the shopping mall is in financial distress and is not honoring contracts with people who bought shops there, according to a local news report. Neither the manager of the shopping mall nor two store owners we contacted in the center have ever heard of IDEX, any of its subsidiaries or joint ventures, or the EV showroom the company says it opened on May 1.”

36. J Capital further noted that “[f]rom June 11-22, IDEX announced five contracts for electric vehicles . . . . On June 23 and 24, we spoke with representatives from four of the five ‘buyers.’ All four denied there were contracts. One of them went as far as to tell our staff member that the IDEX press release is ‘fake news.’ . . . We were unable to locate the fifth partner . . . .”

37. Then, on June 26, 2020, Ideanomics issued a press release in which it stated it “would like to clarify the status of” its purported EV hub in Qingdao, Shandong province. In this release, Ideanomics stated:

[T]he existing new and used sales business at the site was to be folded into the MEG center activities. Along with the commencement of our fleet sales division, this compromised Phase I. The MEG center had a soft launch on May 1, with a fuller opening on May 25, 2020, as announced in press releases dated March 20, 2020, May 18, 2020, and May 26, 2020, when the center was allowed to open fully after COVID-19 lockdown measures were eased in Qingdao. These activities occupy approximately 20,000 square meters, or 215,000 square feet, and the Company has detailed activity from both existing dealership business at the site and its commercial fleet sales in recent press releases.

Phase II of the opening will see an additional 20,000 square meters come online and is subject to renovation in preparation for MEG and its participating partners. This includes the MEG welcome center and executive offices. As previously

communicated, the timeline for this phase will coincide with the ribbon cutting ceremony and official opening in the summer of 2020.

Phase III of the project, and the remaining 60,000 square meters will come online as further renovations are completed.

38. This contradicts the Company's statements that "[t]he MEG Center is a one million square foot EV expo center in Qingdao, Shandong Province" and that "[t]he MEG Center in Qingdao now hosts a full suite of car dealer services for new energy and used cars with a capacity of 18,000 vehicles onsite. It offers a one-stop buying experience that includes financial services and onsite vehicle registrations services." It further contradicts the Company's June 9, 2020 statement that "[a]s a reminder, the MEG Center in Qingdao began operations on May 1." Specifically, Ideanomics' June 26, 2020 press release walked back its earlier claims of a one million square foot center in Qingdao, stating now that its "Phase I" operation is only 215,000 square feet.

39. In addition, Ideanomics' June 26, 2020 press release posted an aerial view of the supposed MEG Center, which accordingly to Hindenburg, "is drone footage of the outside of the entire facility. We think the reason the [C]ompany isn't posting video from INSIDE the facility is because such video shows they have absolutely no presence on site whatsoever."

40. In response, Hindenburg posted its own video of the insider of the MEG Center, which accordingly to Hindenburg, "is actually called the Qingdao Fidelity International Trade City . . . which shows only few cars for sale, and no sign of the [C]ompany on site."<sup>5</sup> Hindenburg reiterated its statement that Ideanomics "has fabricated its supposed sales center, and altered images in its press releases to make it seem that it operates the facility. We continue to believe,

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<sup>5</sup> See <https://hindenburesearch.com/ideanomics/> (last visited June 26, 2020).

as we stated yesterday, that the [C]ompany is engaged in flagrant securities fraud and that it's [sic] stock will wind up in the pennies or halted by regulators."

41. Hindenburg added that "[t]here were no signs of [Ideanomics] having any presence on site and vendors and managers we spoke with had never heard of them. We spoke with the only vendor of electric vehicles on site . . . and he had no idea who the company was."

42. Hindenburg noted that it "further confirmed [its] allegations . . . about [p]hotoshopped images in the company's press releases. We were able to unearth photographs from 2015 which appear nearly identical to photos used in IDEX's May 2020 'launch' PR about the MEG." *"We continue to believe . . . that [Ideanomics] is engaged in flagrant securities fraud and that its stock will wind up in the pennies or halted by regulators."* (Emphasis added).

43. Later in the day on June 26, 2020, Ideanomics issued another press release in which it purported to refute certain of the allegations raised by Hindenburg.<sup>6</sup> In this release, Ideanomics confirmed that its MEG Center was not 1 million square feet as the Company had previously suggested, but that it "will be expanding to 40,000 square meters and eventually 100,000 square meters."<sup>7</sup> This release did not respond in any way to the majority of Hindenburg's report, including Hindenburg's conclusion that Ideanomics had manipulated the photographs it used or to Hindenburg's statement that its investigator had "call[ed] five of [Ideanomics'] purported customers that are helping drive its supposed EV business. None of them were aware of Ideanomics and none were able to confirm doing business with" the Company.

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<sup>6</sup> <https://investors.ideanomics.com/2020-06-26-Ideanomics-Qingdao-Sales-Center-to-be-Officially-Rebranded-MEG-Center-by-July-1-and-Confirms-Hindenburgs-False-and-Misleading-Communication>

<sup>7</sup> 40,000 square meters is approximately 431,000 square feet, and 100,000 square meters is approximately 1.08 million square feet.

44. On this news, the Company's stock price fell \$0.65 from its June 24, 2020 close to a June 26, 2020 close of \$1.46, representing a two day drop of \$1.63, or approximately 53%.

### **CLASS ACTION ALLEGATIONS**

45. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of a class of all persons and entities who purchased or otherwise acquired Ideanomics common stock between March 20, 2020 and June 25, 2020, inclusive. Excluded from the Class are Defendants, directors and officers of the Company, as well as their families and affiliates.

46. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court.

47. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

- a. Whether Defendants violated the Exchange Act;
- b. Whether Defendants omitted and/or misrepresented material facts;
- c. Whether Defendants' statements omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- d. Whether Defendants knew or recklessly disregarded that their statements were false and misleading;
- e. Whether the price of the Company's stock was artificially inflated; and
- f. The extent of damage sustained by Class members and the appropriate measure of damages.

48. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class sustained damages from Defendants' wrongful conduct alleged herein.

49. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests that conflict with those of the Class.

50. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

### **FRAUD ON THE MARKET**

51. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-market doctrine that, among other things:

- a. Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- b. The omissions and misrepresentations were material;
- c. The Company's common stock traded in efficient markets;
- d. The misrepresentations alleged herein would tend to induce a reasonable investor to misjudge the value of the Company's common stock; and
- e. Plaintiff and other members of the class purchased the Company's common stock between the time Defendants misrepresented or failed to disclose material facts and the time that the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

52. At all relevant times, the markets for the Company's stock were efficient for the following reasons, among others: (i) the Company filed periodic public reports with the SEC; and (ii) the Company regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major news wire services and through other wide-ranging public disclosures such as communications with the financial press, securities analysts, and other similar reporting services.

Plaintiff and the Class relied on the price of the Company's common stock, which reflected all information in the market, including the misstatements by Defendants.

### **NO SAFE HARBOR**

53. The statutory safe harbor provided for forward-looking statements under certain conditions does not apply to any of the allegedly false statements pleaded in this Complaint. The specific statements pleaded herein were not identified as forward-looking statements when made.

54. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements.

### **LOSS CAUSATION**

55. On June 25, 2020, Hindenburg Research issued the series of tweets alleged herein. On this news, the price of Ideanomics stock fell from its June 24, 2020 close of \$3.09 per share, to a June 25, 2020 close of \$2.44 per share. On June 26, 2020, on the additional information raised by Hindenburg and the Company's own press release, the price of Ideanomics stock fell further, to just \$1.46 per share. This represents a two day drop of approximately 53%.

56. These revelations contradicted statements made by Defendants during the Class Period and were a causal element of the concurrent decline in the Company's share price.

### **Count One** **Violations of § 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder** **(Against All Defendants)**

57. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

58. During the Class Period, Defendant Ideanomics and the Individual Defendants disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose



material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

59. Defendant Ideanomics and the Individual Defendants violated § 10(b) of the Exchange Act and Rule 10b-5 in that they (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon those who purchased or otherwise acquired the Company's securities during the class period.

60. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for the Company's common stock. Plaintiff and the Class would not have purchased the Company's common stock at the price paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

**Count Two**  
**Violation of § 20(a) of the Exchange Act**  
**(Against the Individual Defendants)**

61. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

62. The Individual Defendants acted as controlling persons of the Company within the meaning of § 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions at the Company, the Individual Defendants had the power and authority to cause or prevent the Company from engaging in the wrongful conduct complained of herein. The Individual Defendants were provided with or had unlimited access to the documents described above that contained statements alleged by Plaintiff to be false or misleading both prior to and immediately

after their publication, and had the ability to prevent the issuance of those materials or to cause them to be corrected so as not to be misleading.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) determining that this action is a proper class action pursuant to Rule 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Class as defined herein, and a certification of Plaintiff as class representative pursuant to Rule 23 of the Federal Rules of Civil Procedure and appointment of Plaintiff's counsel as Lead Counsel;

(b) awarding compensatory and punitive damages in favor of Plaintiff and the other class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including pre-judgment and post-judgment interest thereon.

(c) awarding Plaintiff and other members of the Class their costs and expenses in this litigation, including reasonable attorneys' fees and experts' fees and other costs and disbursements; and

(d) awarding Plaintiff and the other Class members such other relief as this Court may deem just and proper.

### **DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial by jury in this action of all issues so triable.

Dated: June 28, 2020

Respectfully submitted,

/s/ Jeffrey C. Block

Jeffrey C. Block

Stephen J. Teti

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